



MONTHLY REPORT
February 28, 2019

| | | |
|--|---|-----|
| A. PUBLIC DEBT ACCORDING TO NATIONAL LEGISLATION | 1 | pag |
| I. Financing needs and sources | 1 | |
| 1. Borrowing requirement in 2019 | 1 | |
| 2. Actual borrowings in 2019..... | 1 | |
| II. Public debt stock | 1 | |
| 1. Public debt stock evolution..... | 1 | |
| 2. Government public debt evolution..... | 2 | |
| 3. Government securities evolution..... | 2 | |
| 4. Holdings of government securities..... | 3 | |
| III. Primary and secondary market of government securities | 3 | |
| 1. Primary market of government securities | 3 | |
| 2. Secondary market of government securities..... | 4 | |
| IV. Cost of the government public debt | 5 | |
| V. Implementation of the Debt Management Strategy 2018-2020 | 5 | |
| 1. Currency risk..... | 5 | |
| 2. Refinancing risk..... | 6 | |
| 3. Interest rate risk..... | 6 | |
| B. PUBLIC DEBT ACCORDING TO EUROPEAN METHODOLOGY | 7 | |

| Credit rating | | |
|---------------|------|-------|
| Moody's | S&P | Fitch |
| Baa3 | BBB- | BBB- |

Public debt according to national legislation (the GEO no 64/2007) includes:
- public government debt representing indebtedness incurred directly or guaranteed by the Romanian Government through MoPF, including the amounts advanced temporary from the State Treasury accounts and debt contracted by the line ministries.
- local public debt representing indebtedness incurred directly or guaranteed by the local administration unit.
Government debt according to EU methodology, means total gross debt at nominal value outstanding at the end of the year and consolidated at general government subsectors level.

A. PUBLIC DEBT ACCORDING TO NATIONAL LEGISLATION

I. Borrowing requirement

1. Borrowing requirement 2019

| | 2018 | | 2019 **) | |
|--|----------|-----------|-------------|-----------|
| | mil. RON | % din PIB | mil. RON | % din PIB |
| Financing needs, o/w: | 71.259,2 | 7,5% | 72.445,4 | 7,1% |
| 1. Deficit of general consolidated budget | 27.336,3 | 2,9% | 28.248,7 | 2,8% |
| 2. Principal repayments*, o/w: | 43.922,9 | 4,7% | 44.196,7 | 4,3% |
| - refinancing of government securities issued on domestic | 25.218,0 | | 28.586,9 | |
| - refinancing of eurobonds | 6.980,3 | | 7.005,0 | |
| - principal repayments on external loans: | 9.024,8 | | 6.804,8 | |
| - principal repayments on local loans | 2.699,8 | | 1.800,0 | |
| *) debt repaid from budget | | | | |
| GDP: for 2018 according to INS press release as of 08th of April, 2019, while for 2019 the figures are according to NCSP release from January 2019 | | | | |
| | GDP | 944.220,2 | 1.022.500,0 | |
| **) updated at the moment of the elaboration of this report | | | | |

2. Actual borrowing in 2019 up to February, 28 (mil. Ron denominated)

| Total reimbursable financing | | 5.030,3 mil.Ron | | | |
|------------------------------|-----------------------------|-----------------|-----------|---------|---------|
| o/w: | | | | | |
| | By Instrument | By Currency | By Market | | |
| MFP | T-Bills & householders | RON | 4.498,6 | Interna | 4.890,1 |
| | T-Bonds | | | | |
| | Retail bonds | EUR | 443,2 | Externa | 51,7 |
| | T-Bonds denominated in EURO | | | | |
| | Eurobonds | USD | 0,0 | | |
| | FX loans | | | | |
| | total | | 4.941,8 | | 4.941,8 |
| Local governments | | | | | 88,5 |

Ratio of covering of financing needs **6,9%**

II. Public debt stock and changes in stock

1. Public debt evolution

| | December, 2018 | | February, 2019 | | change | |
|--|----------------|------------|----------------|-------------|-------------|------------|
| | mil. RON | % of total | mil. RON | % din total | RON billion | % of total |
| Outstanding of public debt | 400.778,2 | | 396.127,7 | | | |
| o/w | | | | | | |
| a) by type of sector | 400.778,2 | 100,0% | 396.127,7 | 100,0% | -4.650,5 | -1,2% |
| Government public debt | 384.944,3 | 96,0% | 380.164,1 | 96,0% | -4.780,2 | -1,2% |
| Local public debt | 15.833,9 | 4,0% | 15.963,6 | 4,0% | 129,7 | 0,8% |
| b) by type of debt | 400.778,2 | 100,0% | 396.127,7 | 100,0% | -4.650,5 | -1,2% |
| Direct public debt | 382.204,9 | 95,4% | 377.462,2 | 95,3% | -4.742,7 | -1,2% |
| Guaranteed public debt | 18.573,3 | 4,6% | 18.665,5 | 4,7% | 92,2 | 0,5% |
| c) by the residence of creditor | 400.778,2 | 100,0% | 396.127,6 | 100,0% | -4.650,6 | -1,2% |
| External | 155.694,7 | 38,8% | 160.030,9 | 40,4% | 4.336,2 | 2,8% |
| Domestic | 245.083,5 | 61,2% | 236.096,7 | 59,6% | -8.986,8 | -3,7% |
| Total public debt | 400.778,2 | | 396.127,7 | | -4.650,5 | -1,2% |
| Outstanding of Public debt /GDP | 42,4% | | 38,7% | | -3,7% | |

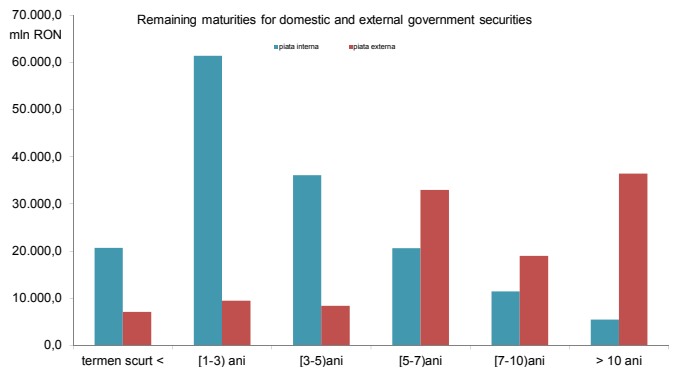
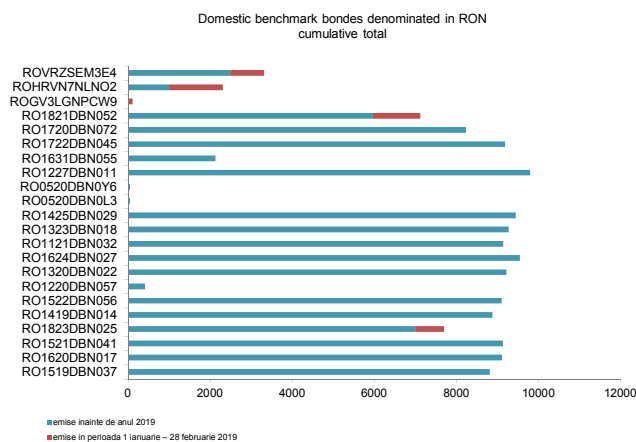
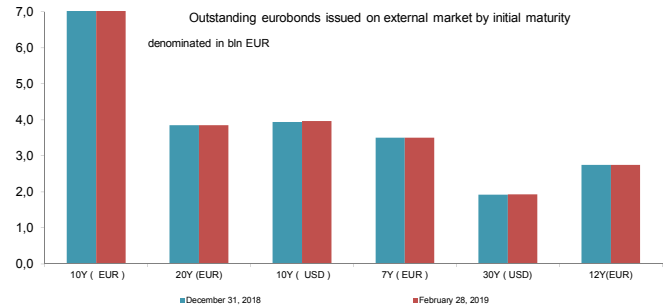
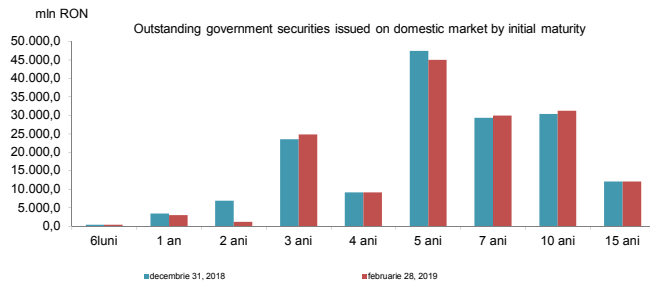
GDP: for 2018 according to INS press release as of 08th of April, 2019, while for 2019 the figures are according to NCSP release from January 2019

944.220,2 1.022.500,0

2. Government public debt evolution

| | December, 2018 | February, 2019 | change | |
|---|------------------|------------------|-----------------|--------------|
| | RON billion | mil. RON | RON billion | % |
| Total government public debt, o/w | 384.944,3 | 380.164,1 | -4.780,2 | -1,2% |
| 1. After the market issuance | | | | |
| External, o/w: | 151.844,7 | 154.163,5 | 2.318,8 | 1,5% |
| By instruments | | | | |
| Eurobonds | 111.320,5 | 113.288,6 | 1.968,1 | 1,8% |
| loans | 40.524,2 | 40.874,9 | 350,7 | 0,9% |
| By currency | | | | |
| RON | 56,3 | 51,6 | -4,7 | -8,3% |
| USD | 28.214,8 | 28.739,3 | 524,5 | 1,9% |
| EURO | 121.532,1 | 123.309,0 | 1.776,9 | 1,5% |
| others | 2.041,5 | 2.063,6 | 22,1 | 1,1% |
| By creditor | | | | |
| multilateral | 39.764,8 | 40.149,0 | 384,2 | 1,0% |
| bilateral | 79,1 | 80,5 | 1,4 | 1,8% |
| private banks and others | 112.000,8 | 113.934,0 | 1.933,2 | 1,7% |
| By interest rate | | | | |
| fixed | 138.242,1 | 140.568,4 | 2.326,3 | 1,7% |
| floating | 13.602,6 | 13.595,1 | -7,5 | -0,1% |
| 2. Domestic, o/w: | 233.099,6 | 226.000,6 | -7.099,0 | -3,0% |
| By instruments | | | | |
| T-bills | 3.996,8 | 3.489,2 | -507,6 | -12,7% |
| Bonds | 158.393,4 | 153.152,4 | -5.241,0 | -3,3% |
| loans | 16.862,5 | 16.982,8 | 120,3 | 0,7% |
| others | 53.846,9 | 52.376,2 | -1.470,7 | -2,7% |
| By currency | | | | |
| RON | 214.594,4 | 211.274,3 | -3.320,1 | -1,5% |
| USD | 10,6 | 10,8 | 0,2 | 1,9% |
| EURO | 18.494,6 | 14.715,5 | -3.779,1 | -20,4% |
| By creditor | | | | |
| multilateral | 0,0 | 0,0 | 0,0 | 0,0% |
| bilateral | 0,0 | 0,0 | 0,0 | 0,0% |
| private banks and others | 233.099,6 | 226.000,6 | -7.099,0 | -3,0% |
| By interest rate | | | | |
| fixed | 158.393,4 | 153.152,4 | -5.241,0 | -3,3% |
| floating | 74.706,2 | 72.848,2 | -1.858,0 | -2,5% |
| 1. After residence of the creditor | | | | |
| External | 152.970,8 | 157.123,7 | 4.152,9 | 2,7% |
| Domestic | 231.973,5 | 223.040,4 | -8.933,1 | -3,9% |
| Government public debt /GDP | 40,8% | 37,2% | -3,6% | |
| GDP (mln RON) | 944.220,2 | 1.022.500,0 | | |

3. Government securities market developments



The weighted average value of the remaining maturity relating to the outstanding government securities issued on domestic market at the end of February 2019 is 3.3 years and 9.4 years for Eurobonds issued on external markets.

4. Holdings of government securities

Holdings of government securities issued on domestic market

| Category | Available at nominal value (mln RON) | (%) total |
|-----------------------|--------------------------------------|---------------|
| 1. Banking system | 68.077,0 | 44,4% |
| 2. Central Depository | 142,3 | |
| 3. Clients holdings: | 85.543,2 | 55,6% |
| non residents *) | 31.135,7 | 20,2% |
| residents, o/w: | 54.407,6 | 35,4% |
| private pension funds | 29.035,6 | 18,9% |
| Total | 153.762,5 | 100,0% |

*) includes government securities held by Clearstream

Holdings of government securities denominated in RON issued on domestic market

| Category | Available at nominal value (mln RON) | (%) total |
|-----------------------|--------------------------------------|---------------|
| 1. Banking system | 62.207,8 | 42,9% |
| 2. Central Depository | 142,3 | |
| 3. Clients holdings: | 82.827,7 | 57,1% |
| non residents *) | 30.478,0 | 21,0% |
| residents, o/w: | 52.349,7 | 36,1% |
| private pension funds | 28.900,0 | 19,9% |
| Total | 145.177,8 | 100,0% |

*) includes government securities held by Clearstream

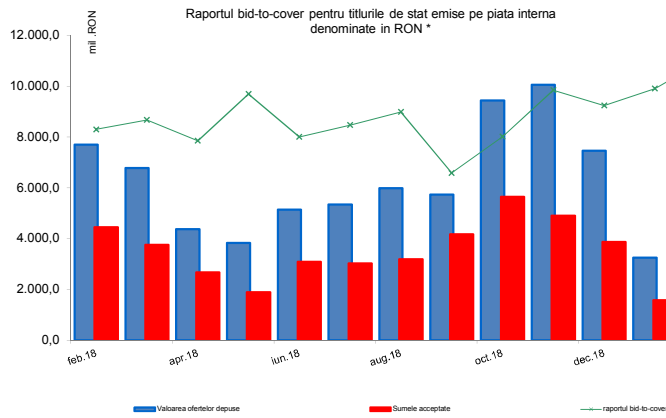
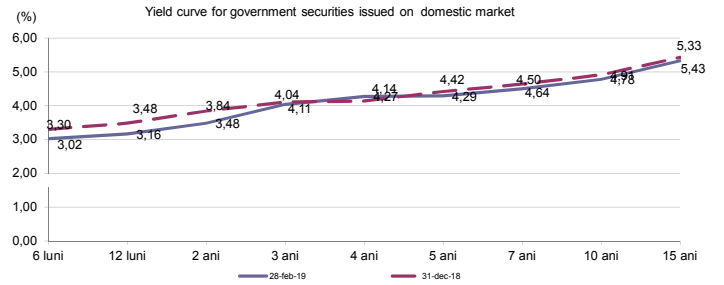
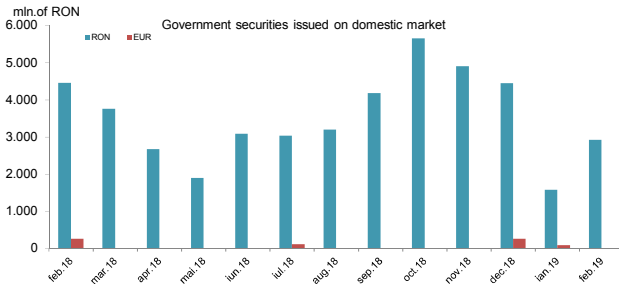
Holdings of government securities denominated in EUR issued on domestic market

| Category | Available at nominal value (mln EUR) | (%) total |
|-----------------------|--------------------------------------|---------------|
| 1. Banking system | 1.237,8 | 68,4% |
| 3. Clients holdings: | 572,7 | 31,6% |
| non residents*) | 138,7 | 7,7% |
| residents, o/w: | 434,0 | 24,0% |
| private pension funds | 28,6 | 1,6% |
| Total | 1.810,5 | 100,0% |

*) includes government securities held by Clearstream

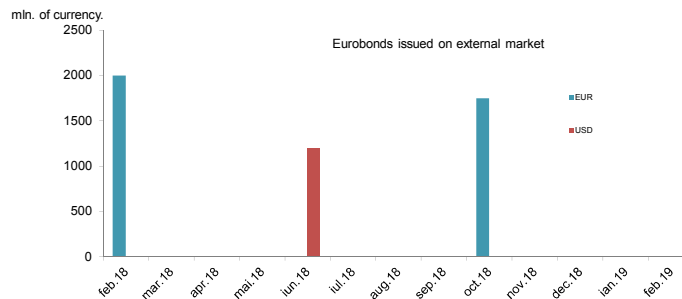
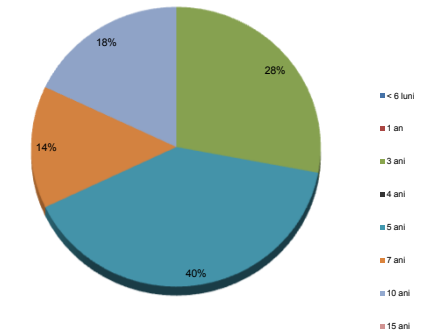
III. Primary and secondary market of government securities

1. Primary market of government securities



*calculated as amount of bids submitted/accepted amount

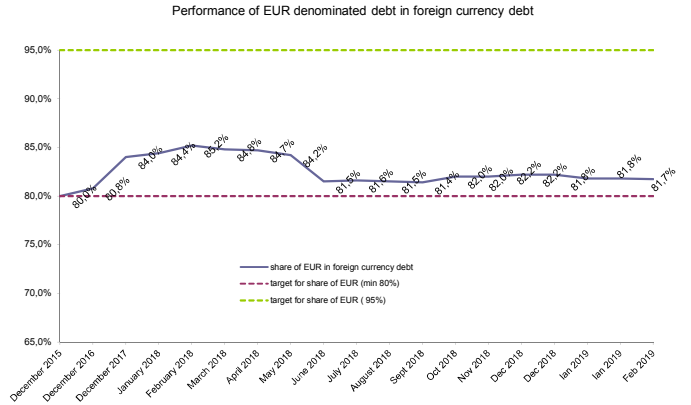
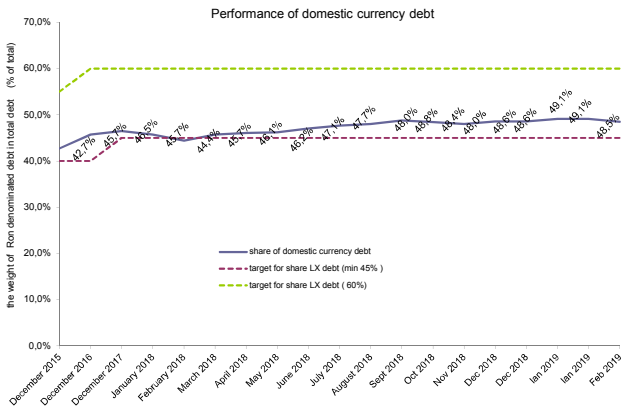
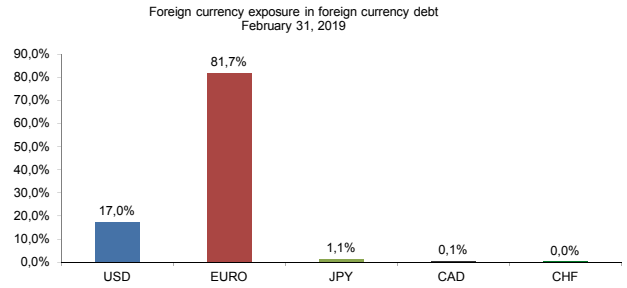
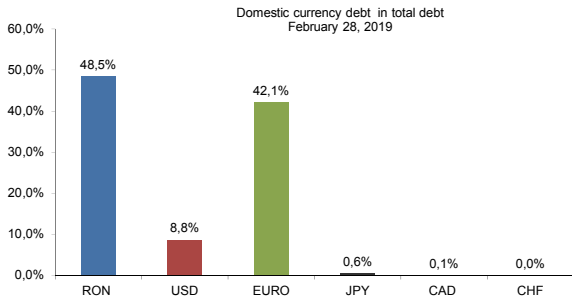
Government securities issued between 01 January - 28 February 2019 by initial maturity



V. Implementation of DMS 2018-2020

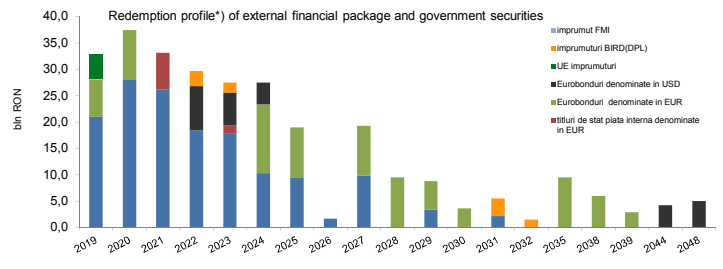
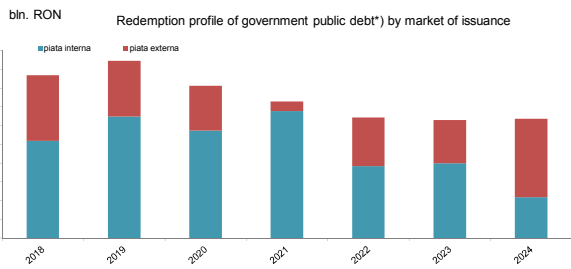
The revised Debt management Strategy for 2018- 2020 was approved by the Government in August 2018 proposing indicative targets for managing the financial risks of the debt portfolio. The level of the risk indicators up to end of February, 2019 complied the targets set in the DMS:

1. Currency risk *)

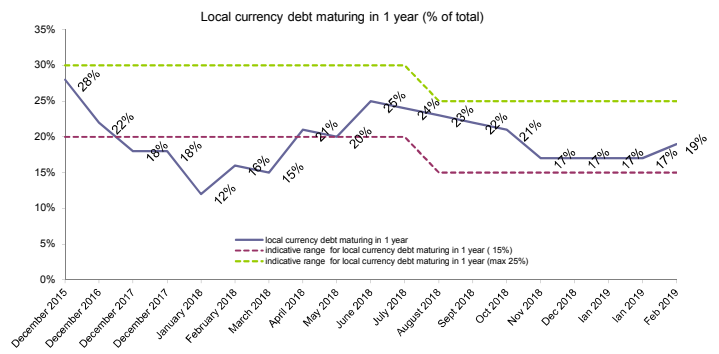
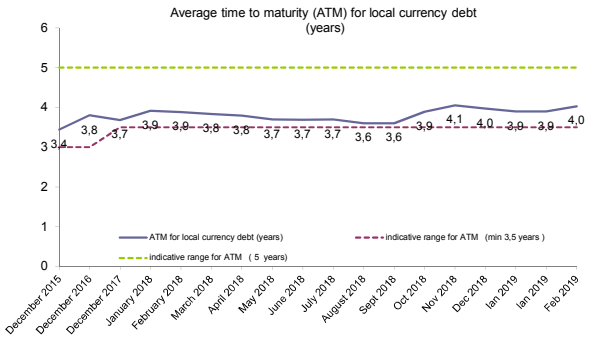
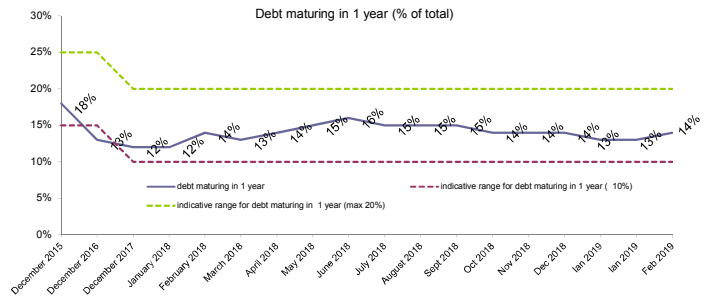
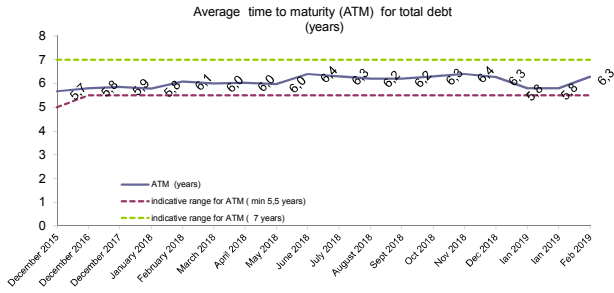


*) the difference in absolute value / percentage is due to the rounding of the calculation formula in excel

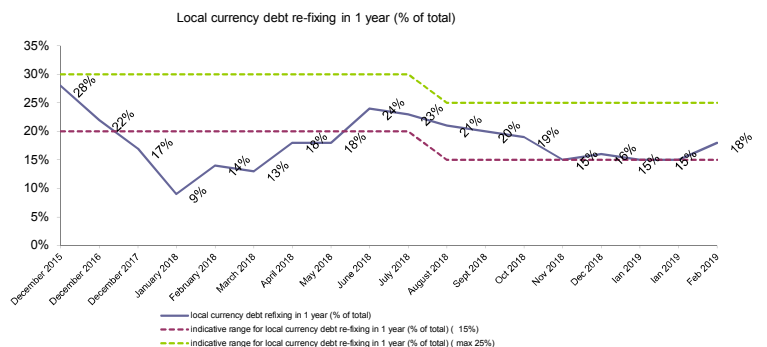
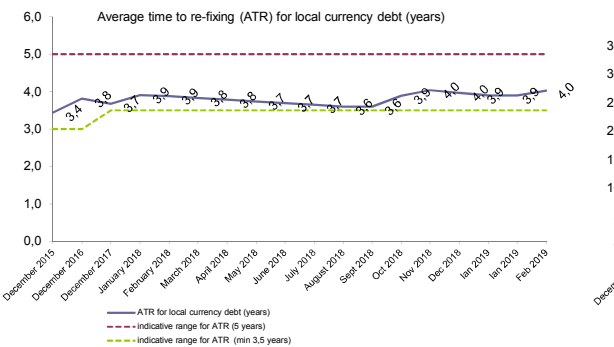
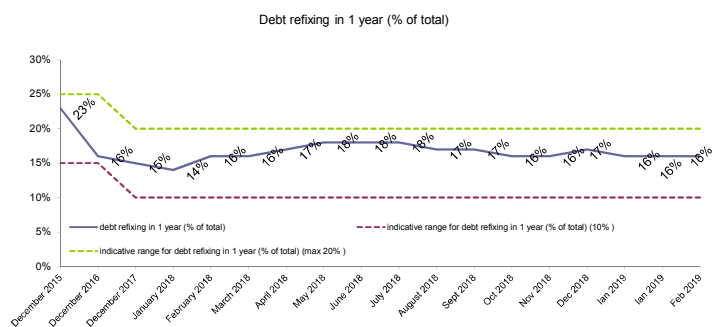
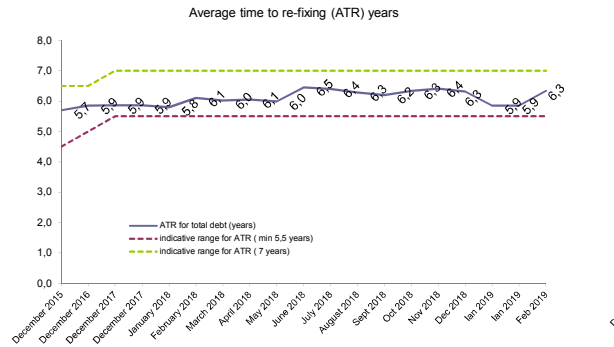
2. Refinancing risk



*) based on contracted debt at the end of February 2019



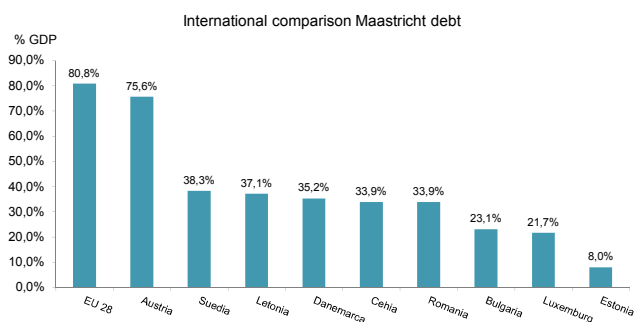
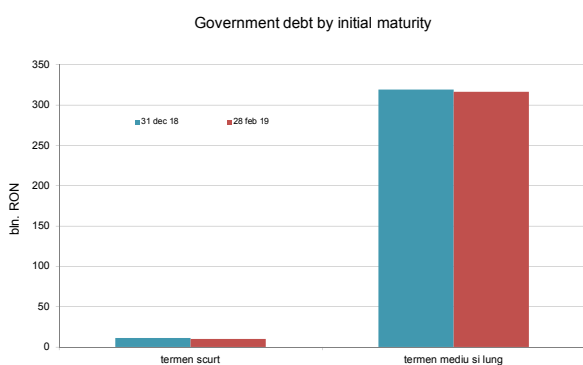
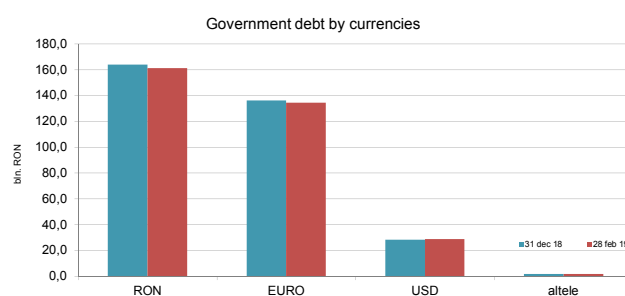
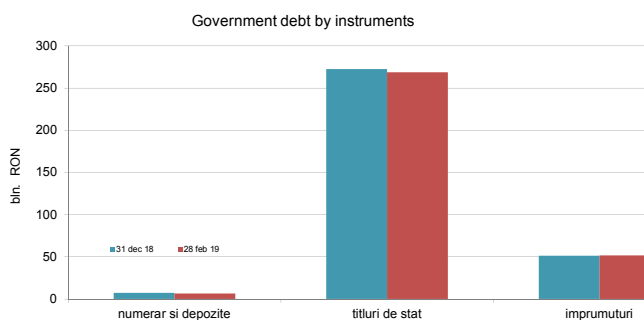
3. Interest rate risk



B. PUBLIC DEBT ACCORDING TO EU METHODOLOGY

| | December, 2018 | | February, 2019 | | change | |
|----------------------------------|------------------|--------------|------------------|-------------|-----------------|--------------|
| | RON million | % of total | mil. RON | % din total | mil. RON | % din total |
| General government debt *) | 330.046,7 | | 326.082,3 | | -3.964,4 | -1,2% |
| | %GDP | 35,0% | 34,5% | | -0,4% | |
| A o/w: | | | | | | |
| Central government debt | 315.933,0 | 95,7% | 311.463,4 | 95,5% | -4.469,6 | -1,4% |
| Local government debt | 14.113,7 | 4,3% | 14.618,9 | 4,5% | 505,2 | 3,6% |
| B o/w: | | | | | | |
| General domestic government debt | 172.245,9 | 52,2% | 167.224,9 | 51,3% | -5.021,0 | -2,9% |
| General external government debt | 157.800,8 | 47,8% | 158.857,4 | 48,7% | 1.056,6 | 0,7% |

*) for 2018 GDP: according to the NIS press release on 08.04.2019



At the end of Q3 2018 government debt represented 33,9% of GDP, well below the level registered in the EU-28 (80,8% of GDP), and the Euro Zone (86,1% of GDP) (according to eurostat newsrelease no.15/2019 - 21 January 2019).